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ABSTRACT

This brief examines changes in Washington's welfare-to-work, child care, and child welfare systems since 1997, presenting information from visits to Washington in 1999 and 2000. It profiles Washington's demographic, economic, and political conditions, reviewing its income support and social services systems and highlighting recent changes, caseload statistics, and service organization. Three sections examine specific programs and services, describing the administrative structure, general service delivery, and policies affecting each program and program clients. The report describes Washington's Temporary Assistance for Needy Families (TANF) program, including the work-related component for TANF recipients and the overall workforce development system. It examines Washington's system for providing child care for both TANF and nonwelfare families. It also discusses the child welfare system, particularly the interaction between child welfare and welfare reform. Washington provides a generous safety net, exceeding national averages, while implementing several key features embodied in federal welfare reform (time limits and a work-first philosophy). Washington undertook some significant organizational changes to reach its present structure. Regarding

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child care, Washington is unique in giving local agencies flexibility in how they assign staff responsibilities within community service offices. Federal and state spending for child welfare have increased substantially. (Contains 17 endnotes.) (SM)

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Assessing the New Federalism

An Urban Institute Program to Assess Changing Social Policies

THE URBAN INSTITUTE

State Update No. 6, August 2001

Recent Changes in Washington Welfare and Work, Child Care, and Child Welfare Systems

Terri S. Thompson, Kathleen Snyder, Karin Malm, and Carolyn O'Brien

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Washingon continues to provide a generous safety net, while implementing several key features in federal welfare reform, such as time limits and a work first philosophy.

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Introduction

Washington has a long history of providing a strong safety net to support low-income families, both those on welfare and the nonwelfare working poor. Despite a conservative shift in the state legislature in the early 1990s, the governorship has remained Democratic and the state's history of bipartisan cooperation and support for many public programs has continued. Washington also has a long history of welfare reform efforts, including a waiver demonstration—the Family Independence Program (FIP)—that predated the Family Support Act of 1988. This program was followed by the implementation of the Job Opportunities and Basic Skills (JOBS) training program and was subsequently replaced by a second waiver-authorized demonstration, the Success Through Employment Program (STEP). Although STEP was a significant departure from earlier welfare reform efforts, it was also significantly different from the reforms contained in the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Several of STEP's key features, including the reduction of benefits by 10 percent for families on welfare for more than four years and a 14-year lifetime limit on assistance, were repealed before they were implemented by Washington's April 1997 state welfare reform legislation. This most recent round of welfare reform replaced Aid to Families with Dependent Children with WorkFirst—Washington's Temporary Assistance for Needy Families (TANF) program. This represented a significant shift away from a skills-development approach in moving families from welfare to work to one that embodies a work-first philosophy, as its name suggests.

This report begins with a short profile of Washington's demographic, economic, and political conditions. A brief overview of the income support and social services systems within the state, including highlights of recent changes, caseload statistics, and organization of services, is discussed next. The following three sections offer more detail on specific programs and services, providing information on the administrative structure, general service delivery, and important policies affecting each program and the clients that program serves. Washington's TANF program is described first, including the state's work-related component for TANF recipients and the overall workforce development system. Next, the state's system for providing child care for both TANF and nonwelfare families is covered. The third program area described is the child welfare system, with particular attention paid to the interaction between child welfare and welfare reform. The report concludes with a summary of some of the key features of the state's welfare reform efforts and its child care system.

For the most part, information presented in this report comes from in-person interviews with relevant frontline program staff; focus groups with WorkFirst and

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nonwelfare recipients, as well as child care providers, were conducted to learn more about child care. In addition, interviews were conducted with various regional and state-level officials responsible for WorkFirst, workforce development, child care, and child welfare to obtain an overview of these systems and to learn about new policy directions in these areas. Most interviews were conducted with program staff in Seattle/King County, the state's largest urban area. Interview information is supplemented with reports produced by other research organizations and by Washington State agencies.

Researchers visited Washington three times during 1999 and early 2000: August 1999 (child care interviews), October 1999 (child welfare interviews), and March 2000 (WorkFirst and workforce development interviews). Telephone interviews with county child welfare administrators took place in Fall 1999.[1] WorkFirst was implemented on August 1, 1997, well after the site visit for the first round of ANF case studies (conducted in March 1997). Therefore, the WorkFirst welfare reform program described here represents a significant departure from the pre-TANF income support and social services programs discussed in the March 1998 Urban Institute report, "Income Support and Social Services for Low-Income People in Washington."

Social and Political Context

Social and Economic Conditions

Table 1 provides an overview of the state's characteristics on a number of social and economic indicators and how those compare with national averages. Washington has seen higher than average population growth since 1995 with an estimated 1999 population of 5,756,000. Although Washington's overall birth rate is nearly the same as the national average, the birth rates for unmarried women (adolescents and women ages 15 to 44) are lower than the national average. The state contains a smaller percentage of Hispanic and black residents than the national average. Although not shown in table 1, Washington ranks third among states with the largest percentage of the population who are Asian or Pacific Islanders, most of whom are citizens (the state has proportionally fewer noncitizen immigrants than the nation as a whole). Washington is also the state with the ninth largest percentage of the population who are American Indian or Alaskan Natives.

Washington's economy nearly mirrors that of the nation on several key indicators. Although Washington residents have a slightly higher per capita income than the national average and have enjoyed a greater increase in per capita income since 1995, the state's unemployment rate and employment composition are similar to that of the United States as a whole. The state also scores well on many common indicators of child well-being. A slightly higher percentage of children in Washington live in two-parent families than in the nation as a whole. Washington has a smaller percentage of adults and children in poverty than the national average and has seen larger declines in adult and child poverty than the nation. Finally, Washington has a much smaller percentage of uninsured children at 6.5 percent, compared with 12.5 percent in the United States.

Washington has been led by a Democratic administration for the last two gubernatorial terms and in 1999 had a politically balanced legislature. Although Washington has a long history of supporting programs for the poor and has made important strides in poverty reduction, education has been Governor Locke's highest priority and welfare reform has not been a divisive issue in the political arena. Governor Locke's 1999–2001 agenda included using welfare savings to support education and employment programs, holding taxes steady, and spending within budgetary limits.

Washington's Social Safety Net

Washington provides a generous safety net when compared with national averages (table 2). For example, compared with the nation as a whole, Washington provides a larger cash benefit to welfare recipients, and covers a higher proportion of poor children with its welfare program (measured by the ratio of children receiving welfare to all poor children in

TABLE 1. Washington State Characteristics, 1999

	Washington	United States
Population Characteristics		
Population (1999)[a] (in thousands)	5,756	272,690
Percent under age 18 (1999) [b]	25.8%	25.7%
Percent Hispanic (1999) [c]	6.5%	11.5%
Percent Black (1999) [d]	3.5%	12.8%
Percent non-citizen immigrant (1998) [e]	4.4%	6.3%
Percent nonmetropolitan (1996) [f]	17.2%	20.1%
Percent change in population (1990-1999) [g]	18.3%	9.6%
Percent births to unmarried women 15-44 (1998) [h]	27.9%	32.8%
Percent births to unmarried teens 15-19 (1997) [i]	8.2%	9.7%
Birth rates (births per 1,000) females age 15-44 (1998) [h]	14.0	14.6
Birth rates (births per 1,000) females age 15-19 (1998) [h]	41.7	51.1
State Economic Characteristics		
Per capita income (1999) [j]	$30,392	$28,542
Percent change per capita income (1995-1999) [j]	16.4%	10.8%
Unemployment rate (1999) [k]	4.7%	4.2%
Employment rate (1999) [l]	80.4%	81.5%
Percent jobs in manufacturing (1998) [m]	14.6%	14.8%
Percent jobs in service sector (1998) [m]	27.4%	29.9%
Percent jobs in public sector (1998) [m]	17.9%	15.8%
Family Profile		
Percent children living in two-parent families (1999) [n]	65.9%	63.6%
Percent children living in one-parent families (1999) [n]	23.7%	24.8%
Percent children in poverty (1998) [o*]	12.7%	17.5%
Percent change in child poverty rate (1996-1998) [o*]	-17.5%	-15.0%
Percent adults in poverty (1998) [o*]	8.9%	11.2%
Percent change in adults in poverty (1996-1998) [o*]	-23.3%	-10.4%
Political		
Governor's affiliation (1999) [p]	Democrat	
Party composition of Senate (1999) [q]	27D-22R	
Party composition of House (1999) [q]	49D-49R	

*1998 national and state, adult and child poverty estimates show statistically significant decreases from the 1996 estimates at the 0.10 confidence level, calculated by the *Assessing the New Federalism* project, The Urban Institute.

Table 1 endnotes begin on page 16.

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TABLE 2. The Safety Net in Washington, in National Context

	Washington	United States
Welfare Benefits - Maximum Monthly Benefit (Family of Three, No Income)		
1996 (AFDC) [a]	$546	Median: $415
1998 (TANF) [a]	$546	Median: $421
2000 (TANF) [a]	$546	Median: $421
Ratio of Children Receiving Welfare to All Poor Children		
1996 (AFDC) [b]	78.5%	59.3%
1998 (TANF) [b]	72.8%	49.9%
Percent of All Children Without Health Insurance		
1997 [c]	7.5%	12.2%
1999 [c]	6.5%	12.5%
Income Cutoff for Children's Eligibility for Medicaid/State Children's Health Insurance Program (Percent of Federal Poverty Level)		
1996 [d,e]	200.0%	123.8%
1998 [d,f]	200.0%	178.4%
2000 [d,g]	250.0%	205.1%
Income Cutoff for Children's Eligibility for Child Care Subsidy (Percent of State Median Income/Federal Poverty Level)		
1998 (January) [h]	54% / 175%	57% / 182%
1999 (June) [h]	63% / 201%	59% / 178%

AFDC = Aid to Families with Dependent Children
TANF = Temporary Assistance for Needy Families
Table 2 endnotes begin on page 17.

the state). It has more children with health insurance coverage than the national average. This higher level of health insurance coverage is likely due to the fact that the state has set the maximum household income for children's eligibility for Medicaid or the Children's Health Insurance Program higher than many other states. Finally, Washington has recently expanded availability of subsidized child care by setting the maximum household income for eligibility at 225 percent of the federal poverty level (FPL).

Caseload Dynamics

WorkFirst in Washington has resulted in significant TANF caseload declines as compared to pre-TANF levels. In January 1997, there were just under 96,500 cash assistance cases statewide. But by July 2000, there were only approximately 54,000 cases, a decline of 44 percent. The caseload decline in the region containing Seattle/King County has slightly exceeded the statewide rate, falling from 21,795 in January 1997 to 11,202 in July 2000, a decline of 49 percent.

Welfare and Work

WorkFirst represents a significant philosophic change from the pre-TANF welfare program in Washington. Previous welfare reform efforts emphasized education and training

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to prepare recipients for better-paying jobs, whereas the April 1997 reform focuses on immediate employment. Washington's welfare reform effort includes some relatively generous provisions such as adoption of the 60-month federal time limit and an increased income disregard. While the state exempts few clients from participation in WorkFirst and emphasizes employment as its goal, it does allow clients to pursue a wide range of activities that qualify as participation. Washington does not impose full-family sanctions, but applies a graduated sanction under which noncompliant clients may lose up to 40 percent of their grant.

WorkFirst Policy and Program Emphasis

As its name indicates, the focus of Washington's welfare program is on immediate job placement where possible. In support of this objective, work is a primary activity for the majority of clients and few clients are exempt from participation requirements. If the client is unable to obtain employment, other activities are allowed. However, these other activities continue to be focused on the goal of obtaining employment, a marked shift away from the education and training focus of the pre-WorkFirst welfare program. Other key features of the program include graduated sanctions and a five-year lifetime limit on benefits. At the time of the site visit, more than two years following implementation of WorkFirst, these changes had been fully implemented and front-line staff interviewed generally supported the employment focus of the program.

Eligibility. WorkFirst does not impose any pre-eligibility requirements for TANF applicants. Although a one-time diversion payment is available, it is not commonly used. The Employment Security Department (ESD) offers "Fast Track" job search assistance for TANF applicants. However, participation is voluntary and reportedly not frequently used. Once determined eligible for TANF, clients are required to participate in WorkFirst services. As indicated by its name, Washington's welfare reform program requires all but a few clients to participate in ESD's job search workshop as their first activity in the effort to find work and leave welfare.

Service Planning. If a client is unsuccessful in finding a job through the ESD job search workshop, she meets with her case manager to determine an appropriate course of action. Service plans are highly individualized and outlined in an Individual Responsibility Plan. Although work is a priority and efforts are made to engage the client in work or self-sufficiency activities for 40 hours per week, there is no formal requirement regarding the amount of time a client must be engaged in WorkFirst activities. Additionally, Washington allows clients to meet this participation requirement by engaging in educational activities, although this cannot be the individual's only activity. Education or training must be combined with a work-related activity such as subsidized work or job search. Clients may also be referred to the Department of Labor Welfare-to-Work (WtW) program or the Community Jobs subsidized employment program.

Exemptions. Most adult TANF recipients are required to participate in WorkFirst. Essentially, only the elderly and parents of children under three months of age[2] are exempt. However, DSHS case managers can allow exemptions specifically from the job search requirement of WorkFirst if they determine that other services might be more helpful to the client in her quest for self-sufficiency. As case managers encounter clients they believe are harder-to-serve, some are beginning to back away from the requirement that job search be the first activity for all clients. Some case managers noted that if they identify a barrier that is likely to make a person unsuccessful in job search, that client may be referred to other services to address or alleviate that barrier as a first step.

Sanctions. Washington imposes a graduated sanction on clients who do not comply with WorkFirst program requirements. The first instance of noncompliance produces a 25 percent grant reduction. If a second offense is committed, the grant continues at its reduced level and the case is put in protective payee status. If a third offense is committed, the grant is reduced by 40 percent.

Time Limits. All clients are also subject to the 60-month time limit. Although frontline workers are aware of the limit and report that they communicate to clients how many months they have left on their time clocks, staff generally noted that the time limit is still several years away for the first clients and, as a result, many clients do not take the time limit seriously.

Caseworker Performance Goals. WorkFirst is heavily guided by performance goals set by the state. At the time of the site visit, case managers were expected to achieve an 85 percent participation rate among their non-exempt caseload. While there was not a requirement for all clients to be enrolled in job search, at least 85 percent of the caseload had to be engaged in the activities outlined on an Individual Responsibility Plan. Performance goals are displayed prominently in Department of Social and Health Services (DSHS) and ESD offices, and staff at all levels are aware of performance expectations. Given the importance placed on meeting performance goals, caseworkers were more likely to refer clients to providers with whom they had had a positive experience or whom they believed would engage the client quickly, thus contributing to meeting the participation goal.

Organization of Welfare and Work Programs

The Department of Social and Health Services (DSHS) has primary responsibility for welfare programs including TANF/WorkFirst, Food Stamps, child care, child support enforcement, and child welfare (table 3). Several of these programs are administered through DSHS's Economic Services Administration, although child welfare and some child care programs are run through the Children's Administration within DSHS. Medicaid is administered at the state level by the Medical Assistance Administration within DSHS. However, low-income families (including TANF recipients) seeking medical assistance may apply at their local welfare office (called Community Service Offices or CSOs in Washington).

At the state level, WorkFirst is a coordinated effort among four state agencies: DSHS, ESD, the Community Trade and Economic Development Department (CTED), and the State Board of Community and Technical Colleges (SBCTC). Under WorkFirst, policymaking and planning are viewed as an equally shared, joint activity of this four-member partnership, despite varying responsibilities in terms of day-to-day operations and delivery of services. This partnership represents a significant departure from the welfare system's structure before WorkFirst was implemented in August 1997.[3]

Before WorkFirst, DSHS had the lead role in providing cash assistance and work-related services while ESD's role was much smaller, essentially serving as a contract service provider offering work-related services. Now ESD is an equal partner with primary responsibility for WorkFirst employment services. The economic development and education and training functions performed by CTED and the SBCTC have not substantially changed, although CTED is more involved in the welfare system through its management of the Community Jobs program (described below). This restructuring reflects the importance of employment in the WorkFirst program. This joint structure brings with it both the advantages of the resources and expertise associated with each of the four agencies and the challenges associated with a collaborative effort. However, the majority of the challenges associated with this collaboration seem to be felt primarily at the state or regional level, while roles and responsibilities of staff at the local level are more clearly delineated.

In general, the state agencies set policies and provide resources, while local DSHS CSOs have responsibility for operations and service delivery. TANF services in Washington are provided through a system of 80 local DSHS CSOs organized into six regions. Seattle/King County is in Region 4, which consists of 11 CSOs. TANF-related job search services are provided primarily through job search workshops operated by ESD. Workshops may be conducted in the CSOs or in local ESD Job Service Centers.

In addition to job search and placement services provided through ESD, TANF recipients may also receive services from a wide array of contract service providers. DSHS service contracts are issued regionally in an effort to procure services that are responsive to regional and local needs. Although uncommon, CSOs do have some latitude to procure necessary client services that are unavailable through regional contracts. CTED does not have a regional service delivery structure and locally CTED's Community Jobs program is operated by contractors—in Seattle/King County this is the YWCA. Education and training services, although not a primary focus of WorkFirst, are provided through community and technical colleges located throughout the state.

Organization of the Workforce Development System, Statewide and Locally

The Employment Security Department has historically been responsible for the provision of labor market information, unemployment insurance, and employment programs. It will play a primary role in the implementation of the Workforce Investment Act (WIA) and one-stop service delivery and has taken on a more prominent role in WorkFirst than it had in previous welfare systems. ESD is also the recipient of the U.S. Department of Labor's formula Welfare-to-Work grant funds, which mainly serve TANF recipients.

In addition to its role in WorkFirst, ESD is also responsible for a broader array of workforce development services, including administering unemployment insurance. ESD is organized into regions, but these are not geographically coterminous with the DSHS regions. Seattle/King County is in the Puget Sound Region and contains three one-stop career centers (called WorkSource Centers) and two Job Service Centers.[4] Job Service Centers, funded by federal Wagner-Peyser funds, are local offices providing job matching and labor market information to TANF clients as well as to the general public.

In the past, Job Service Centers also administered unemployment insurance benefits. As of 1999, unemployment insurance is being administered through centralized call centers, a change that has resulted in major staffing losses in the local Job Service Centers. This change, coupled with implementation of WIA on July 1, 2000, resulted in a shift in emphasis for Job Service Centers. In the face of WIA's requirements for one-stop service delivery, Job Service Centers are being evaluated to determine if they should either be converted to WorkSource Centers or become affiliate sites to the WorkSource Centers. At the time of the visit in March 2000, one of the three WorkSource Centers in Seattle/King County had already been certified as a one-stop under WIA.

The early stages of transition to WIA also resulted in significant changes for the Private Industry Council (PIC), which had previously been established by federal law to oversee Job Training Partnership Act (JTPA) programs, and which played a significant role in the provision of workforce development services. In addition to administering JTPA programs, the Seattle/King County Private Industry Council[5] operated the Welfare-to-Work grants program, and also operated employment and training programs for the homeless population. In response to WIA provisions, the 32-member PIC board was almost entirely replaced with a substantially larger new Seattle/King County Workforce Development Council, the majority of whose members are local business leaders/employers who were not involved in workforce development service delivery in the past.

At the time of our visit, many of the decisions had not been made regarding how and by whom services historically provided by the PIC would be delivered. Consequently there was a great deal of uncertainty as to how the workforce development system would look after WIA was fully implemented. Challenges being considered included which entity should house direct service provision, what the relative roles of the Workforce Development Council and ESD would be in the overall workforce development system, and how to balance the dual clientele of job seekers and employers. Each of these challenges was being actively considered at the time of the site visit, but few final decisions had been rendered.

WorkFirst and Workforce Development Service Delivery and Linkages

Linkages between TANF and the workforce development system occur in two primary ways. First, services for individual TANF clients may include those offered through DSHS and its contractors, CTED (e.g., community jobs), ESD (e.g., job search workshops), or the local PIC (e.g., WtW). Decisions related to service planning and referrals to different agencies are coordinated by DSHS case managers. Second, WorkFirst requires that local service providers in communities work together to coordinate services and achieve agreed-upon outcomes. These local planning efforts include both the TANF and workforce development systems.

Individualized Service Planning in Seattle/King County. Service planning for TANF clients is coordinated by DSHS case managers. At the time of our visit, case managers in Seattle/King County reported feeling generally overwhelmed with the responsibilities associated with welfare reform and the pressure to meet performance objectives. This is largely due to a change in responsibilities for WorkFirst case managers, requiring as of August 1997 that they be responsible for both eligibility determination and service planning/case management functions associated with each case. Although they acknowledged TANF caseload declines, front-line staff did not feel as if the caseload decline had resulted in a lighter workload. Additionally, staff reported that as clients enter the workforce, their cases become more complicated and time-consuming to process due to the changes in income and child care requirements associated with employment.

DSHS social workers[6] are an additional staff resource available to help "hard-to-serve" TANF recipients and ease the workload of case managers. Social workers are assigned to specific cases, including refugees, parenting teens, disabled clients, and sanctioned cases. In addition to conducting further assessment, social workers conduct home visits and work with clients to identify and address barriers to employment. Additionally, case managers may refer any client they believe has significant barriers to employment to a social worker for additional assessment and service planning. Because service planning is primarily the responsibility of WorkFirst case managers, interaction among service providers and system partners tends to take the form of planning meetings, which are held regularly. Entities involved in service provision to the same client may coordinate efforts through case conferences at which staff, and in some cases the client, have an opportunity to discuss barriers faced by clients and which strategies to pursue in overcoming them.

If TANF clients need additional services (beyond the required participation in the ESD job search workshop), these are coordinated through an individualized service planning process performed by DSHS WorkFirst case managers. Case managers choose from a wide array of services available through contracted service providers. These include adult basic education, employment retention services, job search, English as a second language, job skills training, pre-employment training, and work experience as well as subsidized job placements through the PIC's WtW program or CTED's Community Jobs Program (also operated by contract providers). With welfare reform, the number of service contractors has expanded, in part due to the TANF resources available to procure services and in part due to the diverse needs of the remaining caseload. Case managers have significant discretion regarding referrals, and service providers noted that they felt they were required to "sell" or "market" their services to case managers in order to receive referrals.

Coordinated Local Planning Efforts. A primary source of local coordination is the Local Area Planning process. Local Area Plans are required by the state to formalize coordination, and allow for the monitoring of local approaches to meeting state-determined WorkFirst performance goals. Locally, this requires that representatives from the four state WorkFirst partners and other involved parties (i.e., contractors) meet to discuss goals, determine how goals will be achieved, and reinforce shared responsibility for achieving

goals. Formal plans must be submitted to the state and the progress of local areas, as well as individual's offices that comprise local areas, is monitored closely.

Program Innovations and Challenges

At the time of the site visit in March 2000, the WorkFirst program was grappling with how to address the challenges of serving hard-to-serve clients while maintaining its work-first focus. Local planning requirements were an effort to develop approaches to this within localities while clearly outlining performance goals that they were expected to achieve. Community Jobs was an effort to provide remaining TANF clients with work experience that would allow them to move successfully to unsubsidized employment.

At the time of our visit, enrollment in Community Jobs was a priority and was often combined with WtW enrollment or an educational activity. Implemented in the fall of 1997, this program offers part-time, subsidized work positions to TANF clients. Community Jobs differs from the work experience component in that positions are assigned for a period of nine months and participants become employees of the Community Jobs contract provider, thus receiving a paycheck (and their TANF benefits are adjusted accordingly). Additionally, Community Jobs offers participants paid leave and supportive services. The Community Jobs providers offer case management services and assist clients with arranging supportive services and other activities (e.g., GED classes, training) that complement their employment objectives and meet their WorkFirst participation requirements. Although not a requirement of the Community Jobs contract, the YWCA in Seattle and its partners work with participants to help them secure unsubsidized employment following the completion of their subsidized placement.[7]

The WorkFirst program was also beginning to consider the challenge of promoting job retention. At the time of the visit, plans were underway to enhance retention services through additional services for employed clients. It was believed that such services would be provided by ESD, although there were questions regarding the implications of this strategy for DSHS retention service contractors and the WtW program. Since August 2000, ESD has established a variety of "retention and wage progression" services through contracts and also by assigning some of its own staff to be Job Success Coaches for clients who enter employment.

Child Care

As welfare programs have shifted dramatically toward requiring recipients to work or engage in activities leading to work, child care is now a cornerstone of state efforts to support these activities. People leaving TANF because they have found employment, often referred to as transitional (for the period of transition off of welfare), also often need child care to make their transition a success. Though PRWORA eliminated the requirement that states provide child care assistance to these families—by eliminating any entitlement to child care for them—most states continue to give these families a high priority for child care subsidies. This study examined the ways in which TANF and post-TANF families gain access to child care subsidies. We did the same for nonwelfare working families, since they also need child care but often cannot afford it, and many of the states in this study find themselves in the situation of having to make choices between providing subsidies to TANF clients or to nonwelfare working families.

Washington's child care subsidy programs have undergone some important changes in the last few years. As part of welfare reform, Washington's main subsidy programs were consolidated into one larger program, with accompanying changes in state administrative responsibilities. In addition, funding was increased to eliminate existing waiting lists for child care subsidies. Washington is thus one of only a few of our focal states without a waiting list for the major child care subsidy programs.

Child Care Eligibility and Assistance

At the time of our site visit in August 1999, Washington used an adjusted gross income to determine if the family was eligible for child care subsidies (10 and 15 percent of gross income was disregarded, depending on the family's gross income). Families with income below 201 percent of the federal poverty level, translating into an adjusted gross income (using a 15 percent adjustment) below 175 percent of FPL, were eligible for subsidies. For example, a family of three could have no more than an annual adjusted gross income of $24,290 in order to qualify. Once a family enters the child care system, it can continue to receive subsidies until its adjusted gross income exceeds 175 percent of the federal poverty level. Since our site visit, Washington has started using gross income to determine eligibility and has increased the eligibility cutoff to 225 percent of FPL.

Washington does not have a waiting list for the major child care subsidy programs and therefore has not had to prioritize families. That is, they do not have to decide among TANF recipients, nonwelfare families who either have just left TANF or who never received it, or other groups with specialized child care needs. As a consequence, eligible families will receive subsidies if they apply for them, though some state and local level respondents noted that there were eligible families who either did not know about subsidies or knew about them, but did not apply. Prior to welfare reform, there was a waiting list for subsidies for low-income working families, which was eliminated when the subsidy programs were integrated as part of welfare reform.

Many states make distinctions in their child care subsidy programs among current TANF recipients, families that are leaving TANF (called transitional families, or families in the transitional period), and working poor families who have not been on welfare recently or ever. These distinctions are important when they entail additional procedures, including reapplication, when moving from one status to another. These additional procedures are sometimes barriers to families continuing to receive child care.

A few of this study's focal states, of which Washington is one, have eliminated one of these transition points by making no distinction between TANF recipients and transitional families in terms of child care eligibility. Any child care subsidies in place while a family is receiving cash assistance will continue without interruption and without the need for reapplication or any other actions when the family leaves welfare.

Administrative Structure and Funding

Child care subsidies in Washington are administered by two agencies within DSHS: the Economic Services Administration and the Children's Administration (table 3). The Economic Services Administration runs the larger subsidy program called Working Connections Child Care. The Office of Child Care Policy in the Children's Administration runs several smaller subsidy programs, including programs for teen parents, seasonal agricultural workers, homeless families, child protective services cases, child welfare services cases, and employed foster parents.

Before welfare reform, Washington had several subsidy programs—AFDC/JOBS child care, transitional child care, and employment child care. AFDC/JOBS child care and transitional child care were administered by the Economic Services Administration, while employment child care (for low-income working families) was administered by the Office of Child Care Policy. After welfare reform, these programs were integrated into one larger program (Working Connections Child Care). With the integration of the subsidy programs, the Economic Services Administration took on the administration of the larger subsidy program that now includes subsidies for low-income working families. The Office of Child Care Policy no longer administers the program for low-income working poor families, but is still involved with the policy side of the Working Connections Child Care program. In addition, both agencies have tried to keep the policies the same across the subsidy programs. However, there has been a shift in power between these two agencies, since the majority of child care funds are allocated to the Economic Services Division.

TABLE 3. *Administration of Income Support and Social Services in Washington*

Federal or Generic Program Name	What program is called in Washington	Which agency administers in Washington
TANF	WorkFirst	Economic Services Administration within DSHS, together with ESD, CTED, and SBCTC in partnership
Food Stamps	Food Stamps	Economic Services Administration within DSHS
Workforce Investment Act (WIA)	WIA implemented through WorkSource Centers	ESD and local Workforce Development Councils
Child Care Development Fund (CCDF)	Working Connections Child Care *	Economic Services Administration and Children's Administration within DSHS
Child Welfare	Child Welfare	Children's Administration within DSHS
Medicaid	Medicaid	Medical Assistance Administration within DSHS (applications are taken by WorkFirst staff in local CSOs)

* Several smaller subsidy programs are also supported by the CCDF and administered through Children's Administration.

At the local level, Working Connections Child Care is administered by the local Community Service Office through DSHS. Although the subsidy policies are set by the state in terms of the reimbursement rates, copayments, income guidelines, and other factors, CSOs have a lot of leeway in how they set up the service delivery for the child care program. In some CSOs, WorkFirst case managers handle child care, while others have dedicated child care workers who deal only with the subsidies. In Seattle, these variations seem to have resulted in some variation in the quality of the services for families (e.g. treatment of families, responsiveness of caseworker) across the CSOs.

Washington has a prekindergarten program called the Early Childhood Education and Assistance Program (ECEAP). Families with an income below 100 percent of the federal poverty level are eligible. In state fiscal year 1998-99, $28.9 million was spent on this program.* The Economic Services Administration provides some funding to this program since it effectively meets some of the child care needs of low-income families. Washington also has a Head Start State Match Program, which matches federal funding for Head Start.

Washington has seen a large increase in child care funding since welfare reform. Approximately $333 million was spent in the 1997-99 biennium and $411 million was allotted for the 1999-2001 biennium. Washington has also increasingly transferred TANF funds into the subsidy program.

Child Care Fees and Reimbursement Rates

All families receiving a child care subsidy through the Working Connections Child Care Subsidy program pay a parent fee (or copayment). Before welfare reform, copayment levels varied across the different subsidy programs, but these differences were eliminated when the subsidy programs were integrated. A minimum copayment amount of $10 a month for all families was also established at that time. The copayment is determined through a sliding fee schedule and the formula is the same throughout the state. For example, a family of three in King County with a monthly income between $0 and $949 would pay $10, and a family of three with a monthly income between $950 and $1,590 would pay $20. Once this family's income reaches $1,591, the copayment can increase dramatically

with increases in income. For example, if this family's income increased to $1650, its copayment would increase to $45.96.[9] Respondents in Seattle noted that rapid copayment increases are a problem for many families.

At the time of the site visit, Washington paid rates at the 75th percentile of the 1996 market rate.[10] The state last completed a market rate survey in 1998, but it had not yet been implemented. The state pays the provider when the parent chooses to use licensed or state-certified care, and pays the parent when the parent chooses to use exempt care.[11] In both cases, the parent/provider is reimbursed monthly for care. In Seattle, some respondents reported that there could be a delay before providers actually receive payments. At the time of our visit, Washington had just started implementing direct deposit for payments, which respondents believed would reduce processing time.

Currently Washington State pays at the 71st percentile of the 1998 survey. The 2000 survey has been completed but has not been implemented.

Program Innovations and Challenges

Washington has recently implemented an infant bonus, a higher rate for special needs care, and a higher rate for nonstandard hour care. These were developed in order to increase the supply of care addressing these gaps in availability. Respondents noted that it was still unclear whether these changes have had any impact on the supply of care.

Respondents also indicated that they perceived an increase in the use of informal care by families receiving subsidies since welfare reform. They believed that parents starting WorkFirst activities may look to informal care first because it is the easiest kind of care to arrange at that time.

Child Welfare

Child welfare agencies seek to protect children from abuse and neglect. They may intervene in families in which such behavior is suspected, and may offer services to such families or require that families complete service programs. They may also remove children from their home and place them in state-supervised care if children face imminent or ongoing risk of abuse or neglect in the home. Nationally, many policymakers, researchers, and advocates expressed concern that families that did not fare well under the new welfare requirements might be referred to child welfare agencies for child abuse or neglect. Thus far, however, welfare reform does not appear to have had a significant impact on child welfare caseloads in Washington. Overall funding for child welfare services in the state has increased over the past three years and several new initiatives have been implemented. Collaboration between child welfare and TANF program areas in the state was viewed as a means of ensuring that vulnerable families still have a "safety net."

Administrative Structure and Funding

In Washington, child welfare services are administered by the Children's Administration within DSHS; services are delivered through 44 field offices in six regions. While many budget, policy, and personnel decisions are made at the state level, regional administrators are given discretion over budget allocations, personnel, and administering programs in their regions. A major quality improvement initiative implemented in 1997 led to a more formal, structured, and ongoing approach to quality improvement at the local level. Twelve of the field offices have standing quality improvement teams that examine and use local data to identify problems and monitor improvements. While occasionally state government containment initiatives attempt to move to local- rather than state-administered child welfare services, these attempts never seem to move forward. In recent years, policymakers have discussed the possibility of making the Children's Administration its own department. However, the current director of DSHS remains a major proponent of keeping it within the department to convey the message that the families served by the Children's Administration have service needs in other areas administered by DSHS (for example,

developmental disabilities, economic assistance, health). A recently implemented "client registry system" cuts across all administrations within DSHS and allows workers to determine all programs with which a client is involved.

Welfare Reform Discussions

While no interagency group was established to focus specifically on the effects of welfare reform on child welfare, state level administrators met frequently to address this issue. They continue to have informal discussions during DSHS Cabinet and other meetings, including those of the Children's Policy Group. Many local TANF and child welfare offices are co-located and provide integrated support services to clients. TANF administrators noted that the focus of early discussions regarding child welfare was the new requirements for teen parents receiving TANF. State legislators wanted assurances from TANF administrators that each teen parent would have a protective payee (a responsible adult who would receive the TANF payment). Another TANF requirement of particular concern to child welfare was the change in WorkFirst exemption criteria allowing only women with children under three months of age an exemption from participation requirements. Concerns centered around possible implications for the supervision and care of very young children while their mothers fulfilled TANF participation requirements. Unsuccessful attempts have been made to revisit this issue.

Child Welfare Caseloads

Despite widespread concerns in the state, thus far child welfare caseloads have not increased following welfare reform. In 1998, Washington investigated 32,880 allegations of abuse and neglect, a 3 percent increase since 1996.[12] In 1998, 27 percent of investigations were substantiated, a decrease from 37 percent in 1996. Washington's victimization rate of 8.8 victims of maltreatment per 1000 children[13] is lower than the national median of 11.5. In 1998, 8,908 children in Washington were in foster care, a 2 percent decrease since 1996.[14]

While the number of child abuse and neglect reports has increased over the past three years, the increase has been at a slower rate than previous years. The rate of foster parent adoptions in Washington has increased substantially due to the state's efforts to improve permanency outcomes for children and the increased adoption subsidy.[15] This may account for the overall decrease in the number of children in foster care. However, local officials noted more severe problems in their remaining caseloads and a decrease in the number of children exiting foster care other than through foster-adoption.

Financing

Although welfare reform is known for block granting federal income assistance, PRWORA also altered federal funding streams that many states have used to pay for child welfare services. The Emergency Assistance (EA) program was eliminated and the program's funds were rolled into the TANF block grant, the Social Services Block Grant (SSBG) was cut by 15 percent, and eligibility for Supplemental Security Income was defined more narrowly.[16]

Washington's total child welfare spending increased 53 percent from 1996 to 1998, when it totaled $321.6 million.[17] Both federal and state spending increased substantially between 1996 and 1998 (47 and 59 percent respectively). Although child welfare saw a significant decrease in SSBG and EA funds due to welfare reform, Washington provided TANF replacement funds to child welfare. However, the new allocation is a set amount while the federal EA dollars would have increased had the program expanded. Federal funds still increased due to significant increases in Title IV-E and Medicaid expenditures for child welfare.

With the increase in state funding, child welfare has a greater ability to provide family reconciliation services (serving families with adolescents at risk of placement), additional resources for foster parents, and less intensive family preservation services in addition to

continued funding for the state's intensive family preservation services. A new alternative response system also received funding. The new system has allowed the agency to provide community supports to families referred to child protective services but whose situation is not severe enough to warrant ongoing child protective services.

Many families receiving services from child welfare agencies also receive TANF. These dual-system families may face competing demands. They must meet the new requirements of WorkFirst while at the same time they must meet case plan goals developed by child welfare agencies in order to keep their children or have their children returned to them. Despite the overlap in populations, historically there has been little formal collaboration between child welfare and welfare agencies. At the time of the site visit in October 1999, Washington's Children's Administration and Economic Services Administration were preparing to send a joint letter to local agencies announcing the initiation of joint meetings for dual-system clients. Local agencies also received lists of dual-system clients.

At the local level, Seattle/King County administrators commented that child welfare and TANF collaboration is considered a local initiative. The state expects local offices to collaborate to make the most of existing resources. In the Seattle region, a full-time staff person has been on loan to child welfare services from the Division of Economic Services. The Deputy Regional Administrator for child welfare and the loaned staff person are reviewing policy and practice to determine how workers in both divisions can act more effectively and efficiently. Services have been co-located since October 1998 in the Seattle Regional Headquarters. The Seattle region has been trying to co-locate services throughout the region's field offices. In Seattle, both administrators and workers noted that problems get resolved on a case-by-case basis, with workers connecting with one another via telephone calls or in person. Local offices noted that workers vary in the degree of collaboration with TANF workers—one worker may meet with the TANF worker on each case while other workers meet with the TANF worker only when necessary, depending on whether the parent is following through on her case plan.

Child welfare workers in Seattle noted that approximately two years ago they received training about TANF on a unit-by-unit basis. Other counties said they had not received any significant formal training about TANF for child welfare workers. Informal trainings in which TANF staff are invited to regular child welfare staff meetings have occurred every six months or so. At the time of the site visit, supervisors in the Seattle region had just attended a mandatory supervisors' meeting during which they received new TANF forms and information from the state. Regional and local office training followed the statewide supervisors' conference.

Program Innovations and Challenges

State and local respondents in Washington noted several other changes that they believed have had a greater impact on the child welfare system than welfare reform. During the past three years there has been a significant increase in workload due in large part to the shortened deadlines to achieve permanency required by the federal Adoption and Safe Families Act of 1998, which focused on ensuring that children achieve permanency in a timely fashion. In addition, increased state emphasis on case review procedures has increased caseworkers' documentation burden.

Washington had implemented efforts to improve the quality of child welfare casework. The state has dramatically increased training for child welfare workers over the past three years. In addition, the state created a promotion mechanism without increasing supervisory responsibility. The new position is for experienced social workers who want to mentor more junior staff and provide consultation for them, but not directly supervise workers. Staff in this new position are charged with promoting best practices, improving performance outcomes of particular units, training new social workers, and assisting in managing complex cases. The Office of the Families and Children's Ombudsman, created through legislation passed in 1996, has been in operation for the past two years and

provides a means of addressing families' concerns with the child welfare system. Information obtained from families is provided to the Children's Administration with a request for all levels of staff to resolve the issues.

It is sometimes only a matter of practice or convenience whether children being cared for by relatives are handled as child-only cases under TANF or as kinship foster care cases. The number of child-only TANF cases has not changed significantly. However, because the family portion of the caseload has been shrinking, child-only cases have become a larger percentage of the total, now comprising approximately 15 percent of all TANF cases. Before welfare reform, payments to relatives who cared for these children under TANF, known as "not legally responsible relatives," increased with each additional child in the home. Under the new rules, additional children do not increase the monthly payment. In consequence, many child welfare workers noted that they now, more than ever, encourage the caretaking relatives to apply to be foster parents. Not only are the monthly payments more substantial, but foster homes also receive many supportive services and resources. However, foster parenting licensing requirements became more rigid at about the same time. The Division of Licensed Resources was created in 1996 and charged with protecting the health and safety of children in out-of-home care through monitoring and through appropriate enforcement measures.

Conclusions

The visits to Washington on which this report is based offer a first look at Washington's welfare reform effort as it was carried out in the Seattle/King County area. Washington continues its tradition of providing a generous safety net, while implementing several key features embodied in federal welfare reform such as time limits and a work-first philosophy. To implement its vision of welfare reform, Washington also undertook some significant organizational changes to reach its present structure, which is a partnership among four state agencies. In terms of local service delivery, DSHS CSOs and their staff still play a central role, but have increased support from the Employment Security Department, an array of service contractors, the Community Jobs program, and the Welfare-to-Work Grants program.

At the time of our visits—a few years into its reform effort—the TANF system was in the process of focusing on its hardest-to-serve clients. Services such as the subsidized employment offered through Community Jobs and the use of social workers in the CSOs were designed to address the needs of hard-to-serve clients more effectively. In their efforts to assist clients in moving from welfare to employment, DSHS and its partners are working collaboratively through local planning efforts to meet client needs. These efforts involve specific, measurable goals for the agencies as well as for the clients.

Washington exceeds national averages on numerous measures of its social safety net. It was one of only a few focal states in the *Assessing the New Federalism* project that did not have a waiting list for child care subsidies at the time of our visit. Therefore, as long as families were eligible and applied for subsidies, they would receive them. As was true in other focal states, respondents believed that many eligible families either did not know about subsidies or knew about them but did not apply.

With respect to child care, Washington was also unique in that local agencies had flexibility in how they assign staff responsibilities within Community Service Offices, including who handled child care within these offices. In Seattle this seems to have resulted in some variation across the CSOs in terms of the quality of the services for families (e.g., treatment of families, responsiveness of caseworkers).

For child welfare, one of the big stories was more money. Both federal and state spending increased substantially between 1996 and 1998 (47 and 59 percent respectively). The increased funding has given child welfare the capacity to provide more and different services, including additional resources for foster parents and for less intensive family preservation services, as well as continued funding for the state's intensive family preservation services. A new alternative response system also received funding. The new system

has allowed the agency to provide community supports to families referred to child protective services but whose situation is not severe enough to warrant ongoing child protection. In addition, concerns about the effects of TANF requirements on children's welfare has prompted the beginnings of collaborative efforts between welfare and child welfare.

Washington's long history of experimentation with welfare reform has taken a new tack with WorkFirst, shifting from a skill-building approach to one of rapid engagement with employment. The state has taken steps to assure that important supports for poor working families are in place, including child care and health insurance for children.

Endnotes

1. Administrators from Okanogan, Skagit, Cowlitz, Benton, and Pierce counties were interviewed by telephone.

2. State welfare reform legislation initially exempted a client with a child under 12 months of age. This age was lowered to three months beginning in July 1999.

3. Washington's child care system has also undergone some important administrative changes, with the Economic Services Administration playing a larger role in the operation of child care subsidy programs.

4. Some additional ESD offices are co-located with community and technical colleges for the primary purpose of working with college placement services and worker retraining programs to serve students and employers.

5. With the transition to WIA, the PIC has been renamed the Seattle/King County Workforce Development Council.

6. Within DSHS, "Social Worker" is the job title given to staff responsible for working with certain cases requiring additional attention (i.e., teen parents, refugees, hard-to-serve). Social Workers are not required to have advanced degrees or be licensed social workers.

7. Employers who participate in Community Jobs are public or nonprofit entities and are not expected to hire participants at the completion of the subsidized period.

8. Children's Defense Fund. 1999. *Seeds of Success: State Prekindergarten Initiatives.* Washington D.C.: Children's Defense Fund.

9. This number was determined using King County's Copay Calculation Table, which became effective January 1, 2000.

10. A market rate survey is conducted to determine the rates charged by child care providers in the community. If the maximum rate a state will pay is set at the 75th percentile of the market rate, this means that the rate will be sufficient to pay the rates charged by three-quarters (75 percent) of the providers in the community. States will then pay the amount the provider charges to private paying parents, or the maximum rate; whichever is less.

11. Exempt care is care by a relative in the child's home or their home, or nonrelative care in the child's home.

12. This number does not include the low standard investigations that do not require a face to face contact.

13. This rate was calculated using the number of children found to be victims of abuse or neglect, as opposed to the number of investigations substantiated reported above.

14. The 8,908 children in foster care is a point in time count (December 31, 1998), not the number served during the year.

15. The adoption subsidy is based on the special needs of the child, and may not be equal to the foster care payment.

16. For additional information about these changes see Geen, Rob, Shelly Boots, and Karen Tumlin. 1999. "The Cost of Protecting Vulnerable Children." Washington, D.C.: The Urban Institute. Occasional Paper Number 20.

17. Based on data provided by the state in response to the Urban Institute 1999 Child Welfare Survey. Percent increases are not adjusted for inflation.

Table 1 Notes

a. U.S. Bureau of the Census. "State Population Estimates: Annual Time Series, July 1, 1990, to July 1, 1999." http://www.census.gov/population/estimates/state/st-99-3.txt. [date accessed: October 2000.]

b. U.S. Bureau of the Census. "State and County Quick Facts." http://quickfacts.census.gov/qfd/states/53000.html. [date accessed: October 2000.]

c. U.S. Bureau of the Census, Population Estimates Program, Population Division. "States Ranked by Hispanic Population, July 1, 1999." http://www.census.gov/population/estimates/state/rank/hisp.txt. [date accessed: October 2000.]

d. "States Ranked by Black Population, July 1, 1999." http://www.census.gov/population/estimates/state/rank/black.txt. [date accessed: October 2000.] National population percentages are as of July 1, 1999, from U.S. Census Bureau. "Resident Population Estimates of the United States by Sex, Race, and Hispanic Origin." http://www.census.gov/population/estimates/nation/intfile3-1.txt. [date accessed: October 2000.]

e. Urban Institute estimates based on a three-year average of data in the 1997, 1998, and 1999 March supplements to the Current Population Survey. A Joint Project Between the Bureau of Labor Statistics and the Bureau of the Census.

f. U.S. Bureau of the Census. 1999. *Statistical Abstract of the United States: 1999* (119th edition). Table 42. Washington, D.C.

g. U.S. Bureau of the Census. Population Estimates Program, Population Division. "Percent Change in Population for U.S. States: 1990 to 1999." http://www.census.gov/population/www/estimates/stmap03.html. [date accessed: February 2001.]

h. U.S. National Center for Health Statistics. March 28, 2000. *National Vital Statistics Report.* Vol. 48, No. 3. Tables B, 10, and 19.

i. Urban Institute estimates based on two sources: (1) U.S. National Center for Health Statistics. April 29, 1999. *National Vital Statistics Report.* Vol. 47 No. 18. Table 10. (showing total number of births in each state and the US, 1997) (2) Child Trends. 1999. CTS. *Facts At A Glance.* Table 1. (showing number of births to mothers age 15-19 and percentage of teen births to unmarried mothers). Washington, D.C.: Child Trends, December.

j. U.S. Department of Commerce, Bureau of Economic Analysis, News Release September 12, 2000: 1999 *State Per Capita Personal Income Revised.* Table 1: Per Capita Personal Income, by State and Region, 1995-1999 [Dollars]. http://www.bea.doc.gov/bea/newsrel/spi0900.htm. [accessed: February 2001.] Note: Percent change calculated in inflation adjusted dollars by the Urban Institute based on the CPI-U as published in the *Economic Report of the President.* 2000. Table B-60. Washington, D.C.: U.S. Government Printing Office, February.

k. U.S. Department of Labor, Bureau of Labor Statistics. 2000. "State and Regional Unemployment, 1999 Averages." Released February 2000. http://stats.bls.gov/newsrels.htm. [date accessed: February 2001.]

l. Zedlewski, Sheila. 2000. "Family Economic Well-Being." In *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families.* Washington, D.C.: The Urban Institute.

m. U.S. Department of Labor, Bureau of Labor Statistics. 1999. Current Population Survey. [Data extracted February 10, 1999.]

n. Vandivere, Sharon, Kristin Anderson Moore, and Martha Zaslow. 2000. "Children's Family Environment." In *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families.* Washington, D.C.: The Urban Institute.

o. Zedlewski, Sheila. 2000. "Family Economic Well-Being." In *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families.* Washington, D.C.: The Urban Institute. Percent change in poverty rates (1996-1998) calculated by the Labor and Social Policy Center, The Urban Institute.

p. The National Governors' Association. 2000. "The Governors, Political Affiliations, and Terms of Office 2000." http://www.nga.org/Governor/GovMasterList.htm. [date accessed: February 2001.]

q. National Conference of State Legislatures. 1999. "Directory of State Legislatures, Online. Partisan Composition of State Legislatures House and Senate." D indicates Democrat; R indicates Republican; I indicates Independent; other indicates Other; and V indicates Vacant. http://www.ncsl.org. [Date accessed February 2001.]

Table 2 Notes

a. U.S. Congress, House Committee on Ways and Means. 2000. *2000 Green Book.* Table 7-7: Maximum Combined AFDC/TANF Benefits for a Family of Three (Parent with Two Children), July 1994-January 2000. Washington, D.C.: U.S. Government Printing Office. January.

b. Two Urban Institute calculations: (1) Average monthly number of AFDC 1996 recipient children divided by number of children in poverty 1996: U.S. Department of Health and Human Services. Administration for Children and Families. 1997. *Characteristics and Financial Circumstances of AFDC Recipients FY 1996.* Table 18. "Percent Distribution of AFDC Recipient Children by Age (October 1995-September 1996)"; (2) Average Monthly Number of TANF 1998 Recipient Children divided by Number of Children in Poverty 1998: U.S. Department of Health and Human Services. Administration for Children and Families. 1999. *Second Annual Report to Congress August 1999.* Table 9:22. "Percent Distribution of TANF Recipient Children by Age Group (October 1997-September 1998)." The numbers of children in poverty in 1996 and 1998 are Urban Institute calculations from the *National Survey of America's Families II.*

c. Kenney, Genevieve, Lisa Dubay, and Jennifer Haley. 2000. "Health Insurance, Access, and Health Status of Children: Findings from the National Survey of American Families." In *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families*. Washington, D.C.: The Urban Institute.

d. Based on three sources: (1) Urban Institute's TRIM [Transfer Income Model]; (2) Vernon K. Smith. 1999. "Enrollment Increases in State CHIP Programs: December 1998 to June 1999": Health Management Associates, July; (3) Urban Institute analysis of *1999 SCHIP [State Children's Health Insurance Program] Annual Report*. Rules for 1996 and 1998 are policies in place the majority of the year. Rules for 2000 represent plans approved as of January 1, 2000.

e. In 1996, the thresholds represent the state Medicaid thresholds for poverty-related eligibility or AFDC-related eligibility. Higher thresholds for separate state-financed programs (such as in New York) are not represented here.

f. In 1998, some states' thresholds represent Medicaid eligibility, and others are either Medicaid expansions or stand-alone programs enacted under the SCHIP legislation.

g. In 2000, all states covered at least some children through SCHIP; certain groups in some states are eligible only through Medicaid.

h. Data for 1998 are from January 1, 1998, compared with 1997 federal poverty level (FPL). Gina Adams, Karen Schulman, and Nancy Ebb. 1998. *Locked Doors: States Struggling to Meet the Child Care Needs of Low-Income Working Families*. Table A1. Washington, D.C.: Children's Defense Fund, March. Data for 1999 are from June 1999, compared with 1999 FPL. The 1999 data are calculated using state agency information and information from Helen Blank and Nicole Oxedine Poersch. 1999. *State Developments in Child Care and Early Education*. Table 1. Washington, D.C.: Children's Defense Fund. The Urban Institute calculated 1998 and 1999 U.S. median income eligibility level as a percentage of state median income (SMI) and FPL.

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In 1996 and 1997, the Urban Institute conducted case studies in 13 states that provided a baseline for understanding changes emerging from welfare reform. This set of state updates describes changes occurring between 1996-97 and 1999-2000 based on a second set of case studies completed in 1999 and 2000. Programs covered include income support through the Temporary Assistance for Needy Families program, employment and training supports for low-income welfare and non-welfare families, child care, and child welfare. It also looks at interactions among these programs.

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